

DEPARTMENT OF HEALTH SERVICES

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SACRAMENTO, CA 94234-7320



TO: All County Welfare Directors
All County Administrative Officers

January 8, 1990
Letter No: 90-06

SUBJECT: IMPLEMENTATION OF EDWARDS V. KIZER

After several years of negotiations in the Edwards v. Kizer lawsuit, the Department of Health Services (DHS) has formally reached an agreement with the Plaintiff's attorneys. The Stipulation for Entry of Judgment and Judgment Pursuant to Stipulation were filed with the Superior Court of Los Angeles County on October 6, 1989.

The purpose of this letter is to inform counties of the terms of the Judgment and the activities which must be undertaken by both the State and the counties at this time in order to ensure that full implementation is achieved by July 1990, the first full month of eligibility following the end of the six-month implementation period required by the Judgment.

The primary intent of the Judgment is to ensure that families terminated from Aid to Families with Dependent Children (AFDC) cash benefits for specified reasons continue to receive Medi-Cal benefits until a determination of eligibility or ineligibility for Medi-Cal Only benefits is made and adequate and timely notice of such determination is provided.

The Judgment is the first stage in the culmination of a process which started in 1982, when the Preliminary Injunction was filed. It is essentially a refinement of the policies and procedures which were originally set forth in All County Welfare Director's Letters #82-25, et seq., as a result of that injunction, and subsequently established in Section 4-O of the Procedures Section of the Medi-Cal Eligibility Manual.

The most important features of the Judgment which were not previously part of the preliminary injunction are a) the establishment of Medi-Cal Eligibility Data Systems (MEDS) modifications which facilitate the timely issuance of aid code 38 cards in appropriate cases, and b) the creation of a specialized Statement of Facts form (the MC 210E) to be completed by the beneficiary when there is insufficient information in the case file to determine ongoing Medi-Cal Only eligibility.

The terms of the Judgment are summarized as follows:

When a recipient of AFDC is discontinued, the county must take one of four possible actions:

- 1) determine that the recipient is eligible for Medi-Cal Only benefits, either with or without a Share-of-Cost (SOC);
- 2) determine that the recipient is eligible for the four-month or nine-month continuing category pursuant to Title 22, California Code of Regulations (CCR), Sections 50243 and 50244 (initial six-month and an additional six-month continuing categories will be added after April 1, 1990 pursuant to the Family Support Act.);
- 3) determine that the recipient is ineligible for ongoing Medi-Cal Only benefits; or
- 4) If the determination as to whether the recipient is eligible or ineligible for ongoing Medi-Cal Only benefits is not completed by the effective date of the AFDC discontinuance, the AFDC termination reason entered into MEDS by the county will cause an automatic aid code 38 card to be issued by the State to the recipient each month (beginning July 1990) until the determination of ongoing Medi-Cal Only eligibility or ineligibility is made and adequate and timely notice is provided. If the information in the AFDC case file is not adequate to make an eligibility determination, the county must provide the recipient with an opportunity (via a specialized Statement of Facts) to provide the information necessary to make the determination of Medi-Cal Only eligibility,

The reasons which would allow counties to discontinue Medi-Cal concurrent with AFDC (action #3 above), as specified in the Judgment, are:

- o Death of a recipient.
- o Recipient moves out of state.
- o Recipient provides a written request to be terminated from AFDC and Medi-Cal.
- o There is a loss of contact with recipient as evidenced by the return to the county of the AFDC check and/or other county mail with a notation such as "undeliverable", "no forwarding address", or "address unknown". However, Medi-Cal must be made

available immediately to the family if their whereabouts become known during the payment period following termination.

- o The recipient has become incarcerated or entered an institution which renders him/her ineligible.

When AFDC is discontinued for one of these reasons, the beneficiary is not entitled to receive aid code 38 temporary continuing benefits. Because of some of the existing AFDC termination codes associated with these termination reasons are not adequate for Edwards purposes, the Department of Health Services is currently working with the Department of Social Services to develop specialized termination codes where necessary.

When AFDC is discontinued for reasons other than the above, a Medi-Cal Only determination must be made by a Medi-Cal worker or a joint Medi-Cal/AFDC worker. In many counties the AFDC units are entirely separate from the Medi-Cal units, and the AFDC workers are not permitted to make Medi-Cal Only determinations. Counties with such separate operations often find it difficult to complete a determination of Medi-Cal Only eligibility or ineligibility in time to assure that the appropriate card will be issued by the first of the month following AFDC discontinuance. In such situations, an aid code 38 card must be issued by the first of the month following the AFDC discontinuance and the beneficiary is to remain in aid code 38 status until the county completes a determination of Medi-Cal Only eligibility or ineligibility and provides adequate and timely notice of discontinuance or ongoing eligibility, as appropriate. Please note that, until the July 1990 month of eligibility, which is the first full month of eligibility following the six-month implementation period established by the Judgment, counties will continue to have the sole responsibility for making the appropriate systems input that will cause a 38 card to be issued timely. By the July 1990 month of eligibility, the appropriate systems changes will be effected by the Department to ensure that discontinued AFDC recipients shall automatically be transferred into aid code 38 continuing status if the AFDC discontinuance was not for one of the five reasons listed above and a Medi-Cal Only determination cannot be completed concurrent with AFDC discontinuance.

Please be advised that the Judgment eliminates "failure to complete the recertification (redetermination) process" as one of the AFDC termination reasons (currently cited in MEM Procedures, Pages 40-1 and 40-2) which would preclude automatic continued aid code 38 Medi-Cal benefits. Effective immediately, through the June 1990 month of eligibility, each county shall be responsible for ensuring that AFDC recipients discontinued for this reason shall be placed in the aid code 38 continuing category if the county cannot complete a determination of Medi-Cal Only eligibility or ineligibility concurrent with the effective date of the AFDC

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discontinuance. From July 1990 forward, aid code 38 status will be automatic in such situations as noted above.

MC 210E Statement of Facts

As indicated above, the county must provide the recipient with an opportunity to provide additional information if the county cannot make a determination of Medi-Cal Only eligibility or ineligibility based on information in the AFDC case file. In the past, the MC 210 has been used to obtain this information. However, much of the information obtained on the MC 210 is duplicative of information already in the AFDC case. For this reason, the Judgment requires the development and use of a specialized Statement of Facts which asks only the information typically necessary in making a Medi-Cal Only determination after AFDC discontinuance. The four-page MC 210E has been developed for this purpose (see enclosed copy). Effective immediately, counties are to order stocks sufficient to meet their needs and begin using the form to determine ongoing Medi-Cal Only eligibility after AFDC discontinuance. A camera-ready copy is enclosed so that counties may reproduce their own stock pending receipt of stock ordered from the State. Future revisions to the MC 210E will be made as required due to changes in state or federal law, regulations or policy which are not inconsistent with the Judgment.

The recipient shall be given a deadline of at least 20 days from the mailing of the MC 210E (or any request for additional information) to return the form to the county. The date of the deadline shall be stated specifically on the notice which accompanies the form. The notice shall include a name and phone number for the recipient to call for assistance in filling out the form. The notice shall also include the address and telephone number of the Medi-Cal office to which the case may be transferred for processing when the MC 210E is returned. The recipient shall be given a postage-paid, pre-addressed envelope for return of the MC 210E.

A. If the recipient returns the form complete by the deadline:

- (1) The form will be forwarded to the appropriate Medi-Cal worker and eligibility for ongoing Medi-Cal will be determined.
- (2) The recipient will continue to receive Medi-Cal without a share of cost until eligibility for ongoing Medi-Cal is determined and, if the recipient is no longer eligible to receive Medi-Cal without a share-of-cost, until notice pursuant to 22 CCR Section 50179 is given to terminate Medi-Cal or impose a share of cost. The notice shall indicate that aid paid pending shall be available, as limited by Section 22-022.5 of the Manual of

Policies and Procedures, if a hearing is requested before the effective date of the action, except that the Department is not required to provide aid paid pending in cases where the recipient is claiming the right to ongoing Medi-Cal based on disability and disability has not yet been determined.

- B. If the form is returned by the deadline but it is incomplete, or if further information is needed to determine ongoing eligibility, the case will be processed for ongoing Medi-Cal. The Medi-Cal worker will contact the recipient to get the additional information. The recipient will be allowed ten days to complete the form or to provide the additional information.
- C. If the form or necessary information is either not provided by the 20-day deadline or is incomplete by the deadline in B.
 - (1) Medi-Cal will be terminated with timely and adequate notice based on failure to cooperate.
 - (2) The notice will explain how the recipient may file a new application for Medi-Cal.
 - (3) A specific termination code will be assigned to persons terminated for this reason.
 - (4) Recipients who contact the county after either the 20-day or 10-day deadline will be given the opportunity to establish good cause for their failure to meet the deadlines, in accordance with the criteria in 22 CCR Section 50175. The CWD will make a good cause determination and note the result in the file. If the recipient is found to have good cause for failing to meet the deadline, then the procedures in A. will be followed.
- D. If the recipient returns the completed forms or information after the deadline but before the effective date of any discontinuance notice issued as a result of his/her failure to meet the deadline and good cause for late submission is not found:
 - (1) The forms will be forwarded to the appropriate Medi-Cal office for processing.
 - (2) The processing will be identical as for recipients who return the forms timely, except that Medi-Cal need not continue without a break if the County is unable to make an eligibility determination in sufficient time to provide Medi-Cal timely the next month. However, if the recipient is ultimately found

eligible, he/she will receive Medi-Cal retroactive to the date of termination from aid code 38 status.

- E. If the recipient returns the completed forms or information after the effective date of any discontinuance notice issued as a result of his/her failure to return the form or information by the deadline, the recipient will be treated as a new applicant.

With regard to obtaining verification pursuant to the information provided on the MC 210E, the recipient shall not be required to produce documents which are already in the AFDC case file and which are not subject to change.

Extended Continuing Medi-Cal Categories

Discontinued AFDC recipients who are converted to the four-month or nine-month continuing category (or the initial six-month and additional six-month continuing categories after April 1, 1990) shall be sent, during the third or eighth (or fifth or eleventh) month, as appropriate, redetermination forms to be completed and submitted to the CWD. After the appropriate number of months has expired, unless a determination of Medi-Cal Only eligibility or ineligibility is made based on this information and timely and adequate notice is given, recipients will automatically be switched to aid code 38 temporary continuing status and will remain in that category until such determination is completed and adequate and timely Medi-Cal Only notice is issued.

It is important to note that many aspects of our existing policy regarding Edwards continuing benefits, as described in MEM Procedures Section 4-O, remain unchanged in the Judgment. Most notable in this regard is the treatment of cases in which an allegation of disability is the only basis for ongoing Medi-Cal Only eligibility. If, at the time an AFDC recipient's cash benefits are being discontinued, a Medi-Cal EW (or joint AFDC/Medi-Cal EW) is able to quickly evaluate the case and determine that disability is the only basis for ongoing Medi-Cal Only eligibility, the recipient is not entitled to aid code 38 continued benefits. However, if such determination is not completed soon enough to permit an adequate and timely Medi-Cal notice to be issued concurrent with the AFDC discontinuance notice, an aid code 38 card must be issued by the first of the month following the effective date of the AFDC discontinuance. Such issuance should never exceed one month, as this will allow plenty of time to issue adequate and timely notice of Medi-Cal discontinuance.

Whether or not a one-month 38 card is issued in such cases, the recipient must reapply for Medi-Cal Only as a disabled person. Since a recent CA 2 (the Statement of Facts form for persons requesting AFDC benefits) will be on file, an MC 210 will not be necessary per 22 CCR Section 50161 (e) unless All County Welfare Directors

the recipient's circumstances have changed substantially.

Notice of Action Language

All notices of action which are used as part of the temporary continued eligibility process will contain standardized language to be used by all counties. A draft version of such notice language is enclosed. The Department shall be permitted to modify the language in the notices of action if changes in federal or state law, regulations or policy, not inconsistent with this judgment, require modification of the substantive content of the notices.

Regulation Change

Consistent with the implementation of the terms of the Judgment, the Department will request that emergency changes to Title 22, CCR, Section 50183 be made to reflect that persons whose Medi-Cal Only eligibility is being evaluated by the CWD after discontinuance from AFDC cash benefits shall receive temporary continuing zero share-of-cost Medi-Cal benefits until such evaluation is completed and adequate and timely notice of the determination is provided.

Follow-up All County Letter

Prior to the July 1990 implementation deadline, a second All County Letter will be issued which will detail the systems changes to be effected by that date. Copies of the Judgment will be issued with the letter. Such letter will also strive to clarify any unresolved issues.

Statistical Report

The Judgment requires that the Department produce, within six to twelve months after statewide implementation, a statistical report for submission to the plaintiff's counsel. This report shall include the following data:

- a. For Month "A," the number of persons who are receiving AFDC cash-based categorical Medi-Cal.
- b. For Month "B," looking only at the persons who were receiving AFDC cash-based categorical Medi-Cal in Month "A:"
 - (1) The number of persons who are still receiving AFDC cash-based categorical Medi-Cal.

- (2) The number of persons who are no longer eligible for Medi-Cal, broken down by reason for Medi-Cal termination.
 - (3) The number of persons who are in each of the continuing Medi-Cal categories.
 - (4) The number of persons who are in each of the ongoing Medi-Cal categories.
 - (5) The number of persons in the temporary continuing Medi-Cal category.
 - (6) The number of persons receiving SSI cash-based categorical Medi-Cal.
- c. For Month "C," looking only at the persons who were receiving temporary continuing Medi-Cal in Month "B:"
- (1) The number of persons who are no longer eligible for Medi-Cal, broken down according to the reason for termination.
 - (2) The number of persons who are in each of the ongoing Medi-Cal categories.
 - (3) The number of persons who are in each of the continuing Medi-Cal categories.
 - (4) The number of persons who are still in the temporary continuing Medi-Cal category.
 - (5) The number of persons receiving AFDC cash-based categorical Medi-Cal.
 - (6) The number of persons receiving SSI cash-based categorical Medi-Cal.

The foregoing data shall be provided in statewide totals and broken down by county. The data shall be provided for at least two 3-month periods.

At this time, it does not appear to be necessary for the counties to keep any special records regarding the beneficiary categories that will be examined in the report. The MEDS system should provide the Department with all the information necessary to prepare the report. However, counties must ensure that the correct AFDC termination codes are used in all AFDC discontinuances.

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Upon receipt of the Department's report, the plaintiff's counsel will examine the data contained in the report to ensure that the terms of the Judgment are being observed statewide.

If you have any questions or concerns, please contact Tony Plescia of my staff at (916) 324-0650.

Sincerely,

ORIGINAL SIGNED BY

Ricardo Bustamante for
Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosures

cc: All County Medi-Cal Liaisons
All County Program Consultants

Expiration Date: January 8, 1991

The following language is to be used in the Notice of Action which must be sent when it is not possible for the county to make an immediate determination of eligibility or ineligibility for Medi-Cal Only benefits:

"Due to a judgment issued in the Edwards v. Kizer lawsuit, you are entitled to receive no-share-of-cost Medi-Cal following your discontinuance from AFDC cash benefits until we determine whether you continue to be eligible for Medi-Cal."

"If you want to continue receiving Medi-Cal, you must complete and sign the enclosed continuing eligibility form and return it to the county department in the enclosed self-addressed envelope within 20 days of the date of this notice. We will then use this information to determine whether you are eligible for continuing Medi-Cal. If you need assistance in completing the form, please call (Mr./Ms.) _____ of the county Medi-Cal office at () _____. When you return the completed and signed form, your case will be transferred to this office, which is located at _____."

When a determination is made in your case, we will send you a notice telling you whether you are eligible for continuing Medi-Cal benefits. If you do not return the completed and signed form in 20 days, we will determine that you are ineligible for continuing Medi-Cal, and we will send you a notice telling you that your Medi-Cal has been discontinued."

The county may choose to include the above language as part of the AFDC discontinuance notice or in the form of a separate concurrent notice.

If the conditions in described in d., vi. of the Judgment are not met, a 10-day Notice of Action must be sent discontinuing the extended no-share-of-cost Medi-Cal. The following language shall be used in this notice:

"Your Medi-Cal benefits will be discontinued effective _____ because you failed to (return the completed form/provide the information) necessary to establish your continued eligibility for Medi-Cal. The regulation which supports this action is Title 22, California Code of Regulations (CCR), Section 50175 (a) 1."

"If you are still interested in having your Medi-Cal eligibility determined, you must send us the (completed form/requested information) by the effective date of this notice. Your application for Medi-Cal will then be processed, but there may be a break in your aid. If you do not return the (completed form/requested information) by the effective date of the notice, you must file a new application if you wish to receive Medi-Cal benefits."

DETERMINATION OF MEDI-CAL ONLY ELIGIBILITY AFTER DISCONTINUANCE FROM AFDC CASH ASSISTANCE

1. Name				First	Middle	Last	COUNTY USE ONLY																												
2. Home Address		Street	City		ZIP Code																														
Mailing Address (if different)			Telephone Number																																
3. Do you have minor children living with you in your home? <input type="checkbox"/> Yes <input type="checkbox"/> No Is anyone in your family disabled or over age 65? <input type="checkbox"/> Yes <input type="checkbox"/> No Is anyone in your family pregnant? <input type="checkbox"/> Yes <input type="checkbox"/> No Are there any children between the ages of 18 and 21 in your household? <input type="checkbox"/> Yes <input type="checkbox"/> No If any of these questions were answered yes, you may be eligible for Medi-Cal. Please continue with this form.																																			
4. a. Have there been any changes affecting the people in your family or household during the last three months? <input type="checkbox"/> Yes <input type="checkbox"/> No If "yes," complete the following, including information on someone who moved into or out of your home; entered or left a hospital; became pregnant; gave birth or otherwise ended pregnancy; entered or left school, recovered from a major illness; became disabled or died; began, changed, or terminated employment; or had a change in immigration status.																																			
<table border="1" style="width:100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="padding: 5px;">Person</th> <th style="padding: 5px;">What Happened</th> <th style="padding: 5px;">Date</th> <th style="padding: 5px;">Relationship</th> <th style="padding: 5px;">Date of Birth</th> <th style="padding: 5px;">Income</th> <th style="padding: 5px;">Property</th> </tr> </thead> <tbody> <tr><td style="height: 30px;"></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td style="height: 30px;"></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td style="height: 30px;"></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> </tbody> </table>								Person	What Happened	Date	Relationship	Date of Birth	Income	Property																					
Person	What Happened	Date	Relationship	Date of Birth	Income	Property																													
b. Have there been any changes in your family's living arrangements in the last three months? <input type="checkbox"/> Yes <input type="checkbox"/> No If "yes," explain here: <div style="border: 1px solid black; height: 40px; width: 100%;"></div>																																			
5. Are you or any family member over 18 years of age for whom you are requesting Medi-Cal claimed as a deduction for income tax purposes by someone else? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, list names: Name: _____ Name: _____																																			

6. Do you and/or your spouse and/or children have any of the following property?

Item		Yes	No	Person Who Owns Property	Amount (or Market Value)	Amount Owed
a. Cash or money on hand or in the house.						
b. Bank account(s).						
c. Checks or money in a safe deposit box or being held for you.						
d. Stocks or bonds.						
e. Notes, mortgages, trust deeds, sales contracts.						
f. Motor Vehicle(s).	Class (From Registration)					
g. Boat, Camper, Trailer.						
h. Burial reserves or trusts.						
i. Burial plots for other than family members.						
j. Jewelry over \$100.						
k. Business equipment, tools, inventory. (List on page 4.)						

7. In the last three months, have you sold, traded, given away, or otherwise disposed of any real or personal property such as land, houses, automobiles, boats, etc., or has there been any change in your checking or savings accounts, life insurance policies, etc.?

Item	What Happened	Date	Current Value	Money Received	Money Owed	Owner

8. Do you and/or your spouse and/or children have Medicare coverage? ☐ Yes ☐ No If yes,

Person Covered	Medicare Number	Is Premium Deducted from Check?
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No

9. Do you and/or your spouse and/or children have health or hospitalization insurance? ☐ Yes ☐ No If yes,

Person(s) Insured	Type of Insurance	Monthly Premium Paid

10. Do you and/or your spouse and/or children receive any of the following types of income?

Type	Yes	No	Person Receiving Income	Monthly Amount
a. Cash grant				\$
b. Social Security				\$
c. Pension or retirement				\$
d. Unemployment				\$
e. Disability insurance				\$
f. Alimony/Child support				\$
g. Other				\$

11. Do you or any family member receive any of the following items free or in exchange for work you do?

Verification (list):

Item	Yes	No	Person Receiving Item	From Whom?
a. Rent or housing				
b. Food				
c. Utilities				
d. Clothing				

Date Verified FW

12. a. Did you or any family member receive money from a job or a training program this month? ☐ Yes ☐ No

If yes, list all earnings or training allowances received during the month. Include tips or income in kind such as earned housing. List who received income, employer, *gross amount* before deductions, *actual date received*, and the number of days and hours worked in the month. Attach pay stubs or other proof of earnings.

Name:	Days Worked	Amount(s)	Date(s) Received (or Expected)
		\$	
		\$	
Employer:	Hours Worked	\$	
		\$	
		\$	

b. If anyone above paid for care of a child or disabled adult while working or in training, list here and attach proof of payment.

Who received care? _____ Cost \$ _____

Who received care? _____ Cost \$ _____

13. Are you and/or your spouse and/or children self-employed? ☐ Yes ☐ No

If yes, attach a copy of last year's tax statement and business records showing current income, expenses, etc.

14. Do you or any family member have a physical or emotional problem which makes it difficult to work or take care of your needs? ☐ Yes ☐ No If yes,

Family Member(s)	Type of Problem(s)	Beginning Date of Problem(s)

Date Verified EW

☐ Disability referral

Date Sent

☐ Referral to Medi-Cal Recovery

If the problem described above was caused by an injury or accident, are you seeking compensation through an insurance settlement or lawsuit? ☐ Yes ☐ No

15. Do you and/or your spouse pay child support or alimony under a court order or based on an agreement with the District Attorney? ☐ Yes ☐ No If yes,

Amount paid \$_____ To whom _____

16. Are your and/or your spouse and/or children a student? ☐ Yes ☐ No If yes,

Student	School	Income Received for School (loans, scholarships, work study grants, etc.)	Expenses (tuition, books, mileage, child care, etc.) (List Below)

17. Additional information (identify additional information for other pages by question number. Attach extra sheet(s) if more space is needed).

- I declare under penalty of perjury that the answers I have given are true and correct to the best of my knowledge.
- I agree to tell the county welfare department within ten days if there are any changes in my (or the person's on whose behalf I am acting) income, property, expenses or in the persons in the household, or of any change of address.
- I understand that I may be asked to prove my statements and that my eligibility may be subject to quality control review.
- I understand that the county is required by law to keep any information I provide confidential.
- I understand that if I am dissatisfied with actions taken by the county welfare department, I have the right to a state hearing.

I realize that if I deliberately make false statements or withhold information, I (or the person on whose behalf I am acting) may lose Medi-Cal eligibility and/or I may be prosecuted for fraud.)

Signature of Applicant		Eligibility Worker (EW)
Signature of Person Acting for Applicant	Relationship	Date